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# Trade Unions and the Real Living Wage

## 1 INTRODUCTION

A notable development in industrial relations in recent years has been the growth of civil regulation: the formation of norms, standards and codes of practice by civil society organizations (CSOs) that they seek to have adopted by employers (Williams et al. 2011). An important question that is raised by this development concerns the relationship between civil regulation and more established methods of regulating employment through trade unionism and collective bargaining. One possibility is that civil regulation can hybridize with joint regulation, serving to reinforce the institutional position of trade unions and providing them with a resource better to represent their members. A reinforcing dynamic of this kind is suggested in the literature on union revitalization, by those who argue that unions can benefit from forming coalitions with CSOs that can provide unions with additional resources, campaigning expertise, enhanced legitimacy and the ability to contact previously unorganized workers (Tattersall 2010). Coalitions might also benefit CSOs, allowing them to draw upon union resources, such as bargaining relationships with employers and political influence, to help diffuse civil regulation. A particular benefit that unions might provide to CSOs is a presence at the workplace, allowing for the monitoring and full implementation of labour standards in a manner that compensates for the lack of an ongoing workplace presence of many campaigning organizations (Heery et al. 2014; see also Harvey et al. 2017).

Alternatively, civil regulation may pose a threat to joint regulation, eroding the role of trade unions in representing workers and displacing collective bargaining. A dynamic of this kind is suggested in the critical literature on voluntary codes of conduct applied by multinational companies to their supply chains, which it is claimed, supplant independent representation through trade unions in the countries where supplier firms operate (Esbenshade 2004). It is also suggested by the large body of literature on new social movements, which contains a frequent assertion that the identity-based movements that have emerged since the 1960s have progressively eroded the position of the 'old' movement of labour. Piore and Safford (2006), for example, argue that movements of this type have generated a fundamental change in the 'regime of workplace governance' that has largely replaced collective bargaining in the USA, though they emphasise the central part occupied by statutory employment rights in this regime rather than voluntary, civil regulation.

A third arrangement is also possible, in which civil regulation and joint regulation remain distant from one another, with the former exerting little influence on the position of trade unions, whether for good or ill. This relationship of independence might arise, for instance, if civil regulation is confined to non-union employers, to non-union workers in unionized organisations or to employment issues with which trade unions typically do not engage (Heery et al. 2012). Where civil regulation and joint regulation occupy separate spheres in this way then they may be viewed as complementary, each compensating for the failings of the other.

This article explores these three different possibilities, using original research on the UK's real Living Wage. The latter is a voluntary wage standard, derived from independent research into the expenditure needs of low-wage workers, which is promoted by the Living Wage Foundation (LWF) in conjunction with the Poverty Alliance, in Scotland, and Cynnal Cymru, in Wales. The standard comprises an hourly rate of pay that is meant to provide full-time workers with a modest but decent income: it is not a subsistence standard but rather includes provision for leisure expenditure and personal development. Separate rates are calculated for London and for the rest of the UK, both of which are higher than the confusingly titled National Living Wage, the statutory

minimum rate of pay that applies to workers of 25 or over. In April 2018 the UK Living Wage stood at £8.75, the London Living Wage at £10.20 and the National Living Wage at £7.83.

LWF is an offshoot of Citizens UK, the British arm of the international community organizing movement, and is part of an international campaign to promote the Living Wage, which originated in the USA and which has since spread to a number of other countries (Luce 2017). The central activity of LWF is the accreditation of employers that agree to pay the Living Wage. Once accredited, employers undertake to pay the Living Wage to all direct employees and to indirect workers employed by contractors who work permanently on the employer's premises, such as catering, cleaning and security staff. Unlike the National Living Wage, the real Living Wage is paid to all workers aged 18 or more, except to those on apprenticeships and other training contracts.

The Living Wage campaign in the UK was launched in 2001 in the East End of London and in 2011 LWF was created and the process of accrediting employers began. Since then the scheme has met with considerable success. By November 2017, there were 3,752 accredited Living Wage Employers (LWEs) who directly employed 1.5M workers, 5 per cent of the UK employed workforce. It has been estimated that since the accreditation scheme was launched 135,000 workers have benefited directly from the Living Wage and that the total transfer of value to low-wage workers is in the region of £400M. The real Living Wage is a striking instance of civil regulation that has grown rapidly and which encompasses pay, the core subject-matter of trade union representation and collective bargaining. As such, it provides an ideal context in which to examine the relationship between civil regulation and trade unionism

In examining this relationship in what follows we pursue three objectives. The first concerns the location of the Living Wage and the extent to which the standard coincides with trade unionism: is it concentrated in or absent from unionized organizations and parts of the economy where trade unions operate? The final scenario outlined above, that of the separateness of competing forms of regulation, suggests that the Living Wage will largely be absent from the unionised economy and we seek to test this claim. The second objective is to examine the response of trade unions to the Living Wage and the depth of their involvement in its adoption and implementation in those situations where trade unionism and the Living Wage overlap. Several indicators are of interest in this examination: the level of support of trade unions for the Living Wage and the extent to which they welcome it or regard it as a threat; the extent to which the trade unions have encouraged employers to adopt the Living Wage and shaped the operation of the standard post-implementation; and the degree to which the Living Wage has been absorbed within the collective process of joint regulation within accredited organizations so as to reinforce the union position. The final objective is to describe and account for the pattern of variation in union engagement with the Living Wage across the subset of LWEs where unions are present. The purpose here is to identify whether there are particular incentives or contexts that allow trade unions to engage positively with civil regulation. Our final aim, that is, is to identify those situations that approximate most closely to the situation of mutual reinforcement.

## **2 RESEARCH METHODS**

A number of insightful case studies of Living Wage campaigns have been published in recent years, which focus on a single or a small number of organizations that have adopted the Living Wage, often as a result of trade union pressure (Johnson 2017; Lopes and Hall 2015; Prowse and Fells 2016a; 2016b). The research reported below adopted a different, though complementary approach, the centrepiece of which was a population survey of all accredited Living Wage Employers carried out in late 2016. The purpose of the survey was to obtain representative data across the full range of

experience of accredited employers, including their experience of trade union involvement in the introduction and implementation of the Living Wage. The survey was carried out with the cooperation of LWF and was completed by the Foundation's named contact in accredited organizations. In smaller organizations these contacts tended to be managing owners, directors or executives, while in larger organizations they tended to be specialist managers, working in HR, communications, procurement or corporate responsibility. It is important to note that the respondents to the survey were not themselves trade union representatives and that its purpose, amongst others, was to obtain *employer* assessments of union involvement with the Living Wage. The survey was distributed in hard copy and through LWF's email list to a total of 2851 accredited organizations, 845 of which (29.6 per cent) responded. Responses were broadly representative of the survey population in terms of size, sector and geographical location and the resultant dataset provides a strong foundation from which to generalize about union influence on the Living Wage.

In addition to the survey, the project made use of two other research methods. First, was a database of all Living Wage Employers accredited in the period up to February 2018. This database holds information on 4,294 employing organizations, 3,752 of which were currently accredited LWEs. For each case within the database information is held on geographical, sectoral and industry location, size measured by headcount and the number and characteristics of workers who have benefited directly from the Living Wage. A major purpose of the database is to show the distribution of Living Wage accreditation across the UK economy, including the extent to which it coincides with the distribution of trade unionism. Another important function of the database was to provide a series of structural variables to help with the analysis of the survey of accredited employers.

The final element of the project was a programme of interviews with trade union officers and representatives, representatives of employers' organizations and senior managers from accredited LWEs. This programme included approximately 40 interviews, carried out between July 2015 and May 2018, the majority of which were recorded and transcribed. The interview programme was deliberately broad in scope, seeking to gather information from a range of unions and from different types of employer. Trade unions included in the interview survey were drawn from the TUC (2 interviewees), UNISON (11), Unite (4), USDAW (3), GMB (2), PCS (2), UCATT (1), UCU (1), BECTU (3) and Nautilus (1). The purpose of these interviews was partly to provide a reliability check, to ascertain whether survey results matched the reported experiences of trade union representatives. It also served to provide qualitative insight into the process of accreditation and the union role, with interviewees providing examples and reflections upon their participation in the Living Wage campaign.

A final, noteworthy characteristic of the research that is reported below is that it is concerned solely with the role of unions within organizations that have been formally accredited as LWEs. Alongside these organizations, other employers have adopted the Living Wage often as a result of pressure from trade unions to do so. A number of the published case studies of the introduction of the Living Wage referenced above deal largely though not exclusively with non-accredited organizations of this type (e.g. Johnson 2017; Prowse and Fells 2016a). Our reasons for focusing on accredited organizations are partly pragmatic: the database and survey of employers have been assembled with the cooperation of LWF, the accrediting body for the Living Wage. But they also incorporate the principle of theoretical sampling. The purpose of the research is to use the Living Wage as a basis for examining the relationship between civil regulation and trade unionism. It is in accredited organizations, where the employer has formed a contractual relationship with LWF and agreed to implement its standard that civil regulation most clearly applies. It is therefore appropriate to focus our inquiry on those employers that have been formally accredited.

### 3 THE LIVING WAGE AND TRADE UNION PRESENCE

The third scenario outlined above, in which civil regulation and union-based regulation remain separate of one another, is most likely to arise if the Living Wage is confined to the non-union economy. One way of establishing if this is the case is to examine if accredited LWEs tend to be located in parts of the economy from which unions are largely absent. Figure 1 shows the distribution of LWEs by a measure of union presence, with the latter comprising an average of the percentage of union membership in the region, sector and industry in which the employer is based. It indicates very clearly that most LWEs are found in parts of the economy where the union presence is low. This pattern reflects the fact that 40 per cent of LWEs are concentrated in London and the South East, only a small percentage (7 per cent) are found within the heavily unionised public sector, and a majority (62 per cent) are found in industries like finance, ICT and professional services, with a union density of less than 15 per cent. It can also be noted that most LWEs (70 per cent) are micro or small employers with fewer than 50 employees; another employer characteristic that is associated with the absence of trade unionism.

INSERT FIGURE 1 HERE

The evidence in the employer database, therefore, provides *prima facie* evidence for separation; that civil regulation in the form of the Living Wage is applied in parts of the economy where unions are largely absent. This conclusion must be qualified, however, and Figure 1 also shows that a proportion of LWEs are found in parts of the economy where unions are relatively well-established. About a fifth of LWEs are found in parts of the economy where union density is higher than the national average (25 per cent) and about five per cent are found where union density is 40 per cent or more. Moreover, because these LWEs tend to be large, the percentages of workers covered by the Living Wage and benefiting directly from it are substantial: 44 per cent of workers covered and 47 per cent of recipients of pay increases are found in parts of the economy where union density is higher than the national average. These data indicate not only that the Living Wage is compatible with a union presence but that it has been disproportionately impactful where unions are present, suggesting that unions may play an important role in diffusing civil regulation.

The pattern of findings from the survey of LWEs was broadly similar. Managers completing the survey were asked, “Does your organisation recognise or deal with a trade union (or trade unions) that represent your employees”, to which only 18 per cent answered in the affirmative. Not only are most LWEs found in parts of the economy from which unions are largely absent, therefore, most are non-union employers. It remains though that the Living Wage has spread to unionised organizations and the survey, like the dataset, points to the *prima facie* compatibility of civil and union-based forms of regulation. Indeed, if one considers the number of workers employed by accredited employers and the number receiving a pay increase because of accreditation the compatibility is even more apparent. Just over three quarters of both covered employees and employees directly benefiting from the Living Wage worked for unionised organizations.

The employer dataset and the employer survey have furnished broadly compatible findings. They indicate that while the Living Wage is found largely where unions are absent it is also found within unionised organizations and in parts of the economy where unions remain strong. Moreover, because LWEs in the unionised part of the economy tend to be large, public service organizations the impact of the Living Wage, measured by the percentage of workers receiving a pay increase, is disproportionately high where unions are present. On this evidence, it seems there is no necessary relationship between non-unionism and civil regulation. The two forms can exist independently of

one another but can also coincide. Given this coincidence, it is important to establish the response of unions to the Living Wage and the effect they have had on its diffusion and implementation.

#### **4. TRADE UNION SUPPORT FOR AND INVOLVEMENT IN LIVING WAGE ACCREDITATION**

The first and second scenarios outline above suggest respectively that civil regulation can reinforce or serve to erode union-based industrial relations. The first scenario suggests also that CSOs promoting civil regulation will gain from union involvement in diffusing voluntary standards; that there will be *mutual* reinforcement between the two forms of regulation. If the first scenario applies in the case of the Living Wage, then one would expect trade unions to welcome and be supportive of accreditation, to play an important part in encouraging employers to accept the standard, and for the Living Wage to be absorbed within the procedures of joint regulation, becoming subject to joint consultation and collective bargaining in organizations where it is adopted. One would also expect unions to be involved in ongoing scrutiny of the Living Wage in organizations where they are present. The reverse of these expectations will be borne out if the second scenario applies. In this case, unions will perceive the Living Wage as a threat and will not support accreditation. In addition, they will not campaign for the Living Wage or play a significant part in its adoption, the Living Wage will be excluded from the process of joint regulation and there will be an absence of active union scrutiny post-implementation. Moreover, if the Living Wage is being used to replace unions then one would expect its introduction to be characterised by the involvement of non-union actors and the promotion of other forms of employee voice.

##### **4.1 Trade union support for the Living Wage**

Table 1 shows that in most cases the union response to the Living Wage has been positive and that the union has backed accreditation. This response within LWEs was echoed in several of the interviews with union representatives. These affirmed formal union support for the Living Wage and the Living Wage campaign and suggested a dual rationale for that support. One element of this rationale was instrumental: the Living Wage provided unions with an opportunity to secure wage increases from employers that was particularly attractive in the context of austerity and reduced union bargaining power. Faced with, “pay freezes or one per cent pay caps”, a UNISON officer remarked, the Living Wage had allowed the union to secure, “some wins...when there is little appetite for industrial action among members”. In addition to the instrumental appeal of the Living Wage, however, union officers also stressed the normative appeal of the standard. Another UNISON officer placed the Living Wage in a long tradition of fighting for the lower paid that stretched back to the first calls for a statutory minimum wage in the 1970s: “It’s always been a campaigning theme of UNISON”. This support, moreover, encompassed unions with a largely professional membership, such as UCU and FDA, which had lent their support to Living Wage campaigns despite the fact that their members did not stand to gain financially. Unions supported the Living Wage because there was an elective affinity between the standard and the ‘solidaristic’ wages policies that many unions pursue, with their twin themes of bottom-loading wage settlements to the benefit of the lower paid and using the bargaining power of core workers to secure gains for those who are less well-organized (Heery 2009).

INSERT TABLE 1 HERE

While the union was reported to have supported the Living Wage in most accredited organizations this was not always the case and in about a quarter of LWEs, managers said that the union had not been supportive. In some organizations this may have been because union

representatives actively rejected the Living Wage. The interviews again suggested this might be the case, with a number of respondents expressing scepticism about both the standard and the Living Wage campaign. For example, it was pointed out that while the Living Wage increased the hourly rate, it did not guarantee an adequate weekly income because many low-paid workers experienced short and unpredictable working hours. It was also suggested that Living Wage accreditation could confer legitimacy on otherwise bad employers and that the campaign was driven as much by the institutional needs of Citizens UK and LWF as by the needs of low-wage workers: one interviewee said that the campaign was focused on collecting “scalps”, signing employers up for accreditation regardless of the benefit to workers.

However, while perceptions of this kind might explain the failure of the union to support the Living Wage in accredited organizations, it cannot be assumed that this is the case. An absence of support for the Living Wage might derive from scepticism or direct opposition but it could equally arise from the union failing to adopt a position or of the employer remaining ignorant of that position. In those organizations where a lack of union support was reported this could be due to union apathy, to union ineffectualness or simply to a failure of communication.

#### **4.2 Trade union involvement in the introduction and implementation of the Living Wage**

That apathy is a likely cause is suggested by the second line in Table 1, which indicates that in only a fifth of LWEs had the union campaigned for the Living Wage to be introduced. These responses are from managers who may be inclined to under-report union campaigning but the pattern is nevertheless striking and suggests that in many cases union support for the Living Wage has not been sufficient to generate pressure for its introduction. The reinforcement supplied to the Living Wage campaign from trade unions, on this evidence, appears decidedly modest.

The next three rows suggest that the reinforcing effect of the Living Wage for trade unionism has also been modest. In just under half of LWEs, the union was reported to have played no role in the introduction of the Living Wage and when union representatives were involved this primarily took the form of consultation, defined in terms of union views being asked for. In only about a tenth of cases where a union was present was the Living Wage the subject of collective bargaining, such that an agreement covering the standard was negotiated. This evidence accords with the wider interpretation of joint regulation, which emphasises the hollowing out of workplace trade unionism and the displacement of collective bargaining with joint consultation (Brown and Nash 2008). The introduction of the Living Wage, according to the survey evidence, is congruent with this broad trend though it does not suggest that the spread of the standard is itself a significant causal influence.

The final rows in Table 1 present evidence on union attempts to shape the Living Wage after the initial accreditation decision had been taken. It was suggested above that unions might play an important role in this regard, providing scrutiny of management behaviour and ensuring that the standard is fully and correctly applied. They might also play a role in building upon the standard, extending it to workers who fall outside the formal requirements of accreditation, such as short-term agency workers, or seeking compensating pay increases for higher graded workers who have experienced a reduction of their pay relativity. Some of the case study research reports unions acting in this manner (Prowse and Fells 2016a).

The survey findings indicate that in a small number of LWEs the union has sought to build on Living Wage accreditation and secure further concessions from management. Employers report that recognised unions have tried to extend the Living Wage to other groups of employees, have tried to

secure pay increases above the Living Wage, and have tried to restore differentials for higher graded workers. In all cases, however, action of this kind was reported by less than 10 per cent of unionised employers, indicating that post-implementation pressure from trade unions has been a marginal feature of the Living Wage across accredited organizations. The table, moreover, suggests that one reason for the lack of post-implementation activity is that unions have been broadly satisfied with the way in which the Living Wage has been introduced: only 5 per cent of employers with trade unions reported that the union was 'critical of the way in which the Living Wage was implemented'. The evidence on implementation, just like that for introduction, suggests that union involvement has been limited but that the union has been broadly accepting of the Living Wage.

#### **4.4 The relative influence of trade unions over the adoption of the Living Wage**

Another way in which union influence over the introduction of the Living Wage can be assessed is by comparing it with that of other actors both within the workplace and beyond. The employer survey asked respondents to rate the influence of a range of internal and external groups on the decision to become an accredited LWE on a four point scale, which ranged from 'no influence', through 'little' and 'moderate influence' to a 'great deal of influence'. Included in the lists of potential influencers were 'trade union members or representatives' within the organization and external trade unions; alongside owners, different categories of managers, peer organizations, suppliers, customers and clients, politicians, non-union representatives, Living Wage campaigners and workers who were themselves likely to benefit financially from Living Wage accreditation. The results of this exercise are shown in Table 2, which presents the mean scores for influence for all of the groups that respondents were asked to rate.

INSERT TABLE 2 HERE

Several findings are apparent in the table, which relate to the question of the relationship between trade unionism and civil regulation. First, the table indicates that senior managers and owners have been the primary force behind the introduction of the Living Wage even where trade unions are present; a finding that echoes those of case studies of the introduction of the Living Wage (Johnson 2017; Lopes and Hall 2015). Moreover, in LWEs with trade unions specialist managers in HR and CSR are also likely to have played an active part in the adoption of the standard, reflecting the fact that both sets of actors tend to be found in larger organizations with more formal, differentiated structures of management. Second, within unionised LWEs union members and representatives are rated as the most significant internal influence on Living Wage adoption after senior and specialist managers, owners and directors. This pattern of relatively high union influence is also seen in the estimates for external actors, where trade unions are ranked third highest after LWF and Living Wage campaigners, such as Citizens UK, in LWEs where they are present. To a degree, this relatively strong showing on the part of trade unions is surprising. Much of the literature on civil regulation emphasises the part played in its diffusion by community mobilization, pressure from customers, the role of business networks and the use of supply chains (e.g. Reinecke and Donaghey 2015). For the Living Wage, the traditional labour market actor, trade unions, emerges as more influential in spreading civil regulation than do any of these 'new actors', with the exception of those organizations dedicated specifically to the spread of the Living Wage.

Third, while LWF and its Scottish equivalent and Living Wage campaigners, such as Citizens UK and the Poverty Alliance, emerge as more influential than trade unions in the decision to adopt the Living Wage, there is no evidence that they are acquiring this influence at the expense of unions. In fact, Living Wage campaigners are reported to have more influence where unions are present, not less as one would expect if there was competition between the two, and employers tend to rate



unions as exerting relatively strong influence where they also give LWF and Citizens a high rating. Fourth, there is no evidence in the table that other forms of worker voice are displacing unions. Non-union representatives, workers seeking to be paid the Living Wage and higher paid workers and the direct managers of the lower paid are all identified in the table as being relatively uninfluential in both unionised and non-union LWEs, reinforcing the perception of accreditation as a largely top-down decision. It is also notable, however, that expression of direct worker voice is higher in unionised organizations and there is no evidence from the table that adoption of the Living Wage has been coupled to reliance on forms of non-union worker participation.

The evidence in Table 2 partially confirms and partially stands as a corrective to that in Table 1. It confirms the earlier finding that unions have often not been heavily involved in the introduction of the Living Wage: in only 23 per cent of unionised LWEs was it reported that the internal union had exerted a 'great deal of influence' and in only 13 per cent was it said that the external union had done so. Table 2, moreover, places this picture of modest union influence in context by showing that in most cases the introduction of the Living Wage has been a top-down decision, primarily involving senior managers and owners and their public sector equivalents. There is evidence in both tables of at best modest reinforcement of the union position through civil regulation. But neither is there evidence in Table 2 of civil regulation displacing the union role. Unions have shaped the accreditation decision alongside Living Wage campaigners and there is little evidence of direct worker voice or the voices of other stakeholders, such as customers or other service users, supplanting unions in calling for good labour standards. Rather, these other voices, though generally weak, seem to be articulated most clearly where unions are present.

## **5. VARIATION IN UNION SUPPORT AND INFLUENCE**

Both Table 1 and Table 2 indicate that there is considerable variation in the level of union influence over the Living Wage and we turn now to examining this variation, seeking to identify those situations where the union has been influential and those where it has largely been excluded from influence. One method of examination is to look at the interrelationship between the items presented in the tables and to assess whether union influence over the Living Wage is related to union support for and campaigning on behalf of the standard. It may be that the capacity of unions to help diffuse the Living Wage and to benefit from its diffusion is partly a matter of union choice, with higher levels of influence flowing from higher levels of engagement.

Table 3 presents employer estimates of union influence over the decision to adopt the Living Wage and involvement in the process of introduction broken down by whether the union supported and campaigned for the Living Wage. Each row contains column percentages taken from a series of cross-tabulations. The first cells in the table, therefore, indicate that in 68 per cent of cases where the union was supportive of the Living Wage it was also involved in implementation, compared with only 23 per cent of cases where the union was not supportive. All of the cross-tabulations were statistically significant, most at the .001 level.

The evidence in Table 3 shows unambiguously that supportive and campaigning unions were more likely to exert a 'great deal of influence' over the decision to adopt and were more likely to be involved in the introduction of the Living Wage, to be consulted and to have engaged in negotiations. Where the union was not perceived to be supportive or to have campaigned, the reverse tended to be the case. It is particularly striking that where the union had not campaigned for the Living Wage, employers in virtually all cases reported that both the internal and external union had exercised 'no influence' over the decision to adopt the standard. A reasonable inference from

the table is that in some cases unions have excluded themselves from influence over the Living Wage, while in others their engagement with the issue has allowed them to acquire influence.

INSERT TABLE 3 HERE

The next stage in the analysis was to identify the situations in which unions have influenced the Living Wage in the manner suggested by the argument of mutual reinforcement. One possibility is that unions are more likely to become involved in the introduction of the Living Wage where they have an incentive to do so; that is where the Living Wage will deliver tangible increases in pay for union members. It can be hypothesized therefore that the union will be more likely to support, to campaign for, be involved in and to influence the Living Wage where the latter leads to pay increases for a greater number of employees, a greater percentage of employees and for those who are directly employed who are more likely to be union members. Another possibility is that the context in which the Living Wage is introduced might be supportive of union influence. Unions might be more likely to become involved in the introduction of the Living Wage and to be influential within larger employing organizations, where prevailing wage rates are relatively high (thereby making the Living Wage more readily attainable), in parts of the economy where unions are strongly established and in the public sector, the main bastion of union strength.

To test the arguments a scale measure of union involvement in and influence over the introduction of the Living Wage was calculated, which added together the estimates of internal and external union influence and employer reports of whether the union had been involved in the introduction of the Living Wage, had been consulted or had engaged in negotiations. This scale was statistically reliable (Cronbach's  $\alpha = 0.8$ ), with values ranging from zero to nine. The mean 'influence score' across the 145 organizations for which data were available was 3.5, with 21 (14.5 per cent) organizations reporting a score of seven or above and 58 (40 per cent) recording a score of 2 or below, a distribution that reinforces the point made earlier about the generally low level of union influence over the introduction of the Living Wage.

Table 4 presents the results of OLS regression analysis where the dependent variable is the composite union influence measure described above. A stepwise method was employed with the dependent variables relating to trade union context entered first. The variables used are a dummy for the public sector, organizational size measured by the number of direct employees, a measure of the extent of low pay in the area in which the LWE is based (the percentage of workers paid below the Living Wage in the local authority area), and the combined measure of union density presented in Figure 1. The variables relating to the 'union incentive' to push for Living Wage accreditation are entered into the model in step 2 and include indicators that measure the impact of the Living Wage; the absolute number of employees who received a wage increase following accreditation and the proportion of these employees as a percentage of the total direct workforce. There are also two variables that measure the likelihood that beneficiaries will be unionised; the percentage of recipients that are full-time and the percentage that are directly employed.

INSERT TABLE 4 HERE

The results in table 4 show that the model is significant and explains just over a quarter of the variation in the union influence variable. The results also confirm the argument outlined above: union influence over the introduction of the Living Wage has been stronger in parts of the economy where the institutional position of trade unionism is itself relatively strong, with the measure of organizational size and the public sector proving to be particularly significant. The pattern of evidence here suggests that where unions are relatively well-established they have been better able

to shape civil regulation. It should also be noted that UNISON and the GMB, two of the major public sector unions, have been strong supporters of the Living Wage and that the association of union influence with the public sector may partly reflect supportive union policy (Johnson 2017; Prowse and Fells 2016a).

The results only provide weak support for the belief that unions have influenced the Living Wage in situations where there is an incentive for them to become engaged. The addition of the 'incentive' variables to the model only increases the R-square figure by three percent. Only one of these variables is statistically significant, with the results indicating that union influence and involvement is positively related to the proportion of the total workforce that has been affected by the Living Wage and received a pay increase. Union influence is not found to be related to whether these beneficiaries are direct or full-time employees, who are more likely to be union members and to fall within the span of collective bargaining. The pattern of results as a whole suggests that union influence on the Living Wage is less a function of instrumental motivations and more likely to be determined by the context within which accreditation take place.

## **6. CONCLUSION**

What is striking about the evidence presented above is that it does not conform closely to any of the three scenarios that can be derived from the literature on trade unionism and civil regulation: reinforcement, replacement and independence. With regard to the latter, the evidence on the distribution of the Living Wage indicates that, while there is no elective affinity with trade unionism neither is there incompatibility: civil regulation and trade unionism can flourish in the same place but equally they can grow separately from one another. Civil regulation and regulation through collective bargaining, on this evidence, can coincide but this coincidence is not a precondition for voluntary standards like the Living Wage to become established.

With regard to reinforcement and replacement, it is notable that the evidence sits between these two scenarios, confirming elements of both while also providing contradiction. Reinforcement finds support in the generally positive response of trade union representatives to the Living Wage and the relative absence of conflict surrounding its introduction but is not supported by the evidence of generally limited union involvement in the implementation of the Living Wage. Unions have acquired more influence over the standard where the context is favourable, where there is greater incentive for them to do so and seemingly where they have been more strongly supportive of the Living Wage from the outset. Nevertheless, the primary pattern is one of limited influence and the Living Wage has been absorbed within collective bargaining in only a small minority of cases.

A similarly mixed pattern of findings is apparent with regard to the replacement scenario. Unions have not been deeply involved in negotiating the Living Wage and have typically not sought to shape its operation post-adoption. The Living Wage has been introduced in a top-down manner in most organizations, alongside not through the vehicle of established union-management relations. However, there is minimal evidence that the Living Wage has been implemented as part of a deliberate strategy of union replacement and the adoption of the standard has not involved the cultivation of non-union forms of worker-voice within adopting organizations. Although only involved to a limited degree, unions seemingly have enjoyed more influence over the introduction of the Living Wage than most other potential groups of influencers either internal or external to accredited employers.

How might one interpret this mixed pattern of findings? One way of doing so is to reflect on the nature of the Living Wage campaign. In the academic literature the latter is often characterised

as a social movement, one of a series of 'economic justice movements' that have emerged in recent years to contest austerity and high levels of labour market inequality (Bernhardt and Osterman 2017). For writers who prescribe the recreation of trade unionism as a social movement there is an affinity between movements of this kind and progressive currents within the labour movement that can provide the basis for joint-work and union-community coalitions (Taipa 2014). However, while the Living Wage campaign does possess social movement characteristics it is not defined fully in these terms and in many respects it resembles corporate social responsibility (CSR) initiatives, such as those promoting fair trade, sustainable use of the environment and respect for human rights. Thus, Bunyan's (2016) review of the campaign notes that the LWF has largely eschewed 'agitational' methods and has promoted the Living Wage to employers in terms of the 'business case'; that paying higher wages will deliver positive, tangible benefits to accredited employers. The fee-based system of accrediting LWEs that is operated by LWF exemplifies this CSR orientation and is a method shared with other bodies promoting standards of good management practice to employers.

If the Living Wage is viewed in these terms as a CSR initiative, then the mixed pattern of findings presented above can be seen to follow a common pattern. In Gold et al.'s (2015) account of union reactions to CSR programmes in the UK, the dominant response is one of support and acceptance – with an admixture of scepticism – but with limited direct involvement or attempts to secure such involvement. This is precisely the dominant pattern seen in the response of trade unions to the Living Wage in accredited LWEs. In this journal, Harvey et al. (2017) have argued that CSR provides an opportunity for unions, enabling them to shape management policy and extend their influence to a new agenda. The evidence presented in this article indicates that few unions are seizing this opportunity even when civil regulation addresses a core employment issue, the Living Wage.

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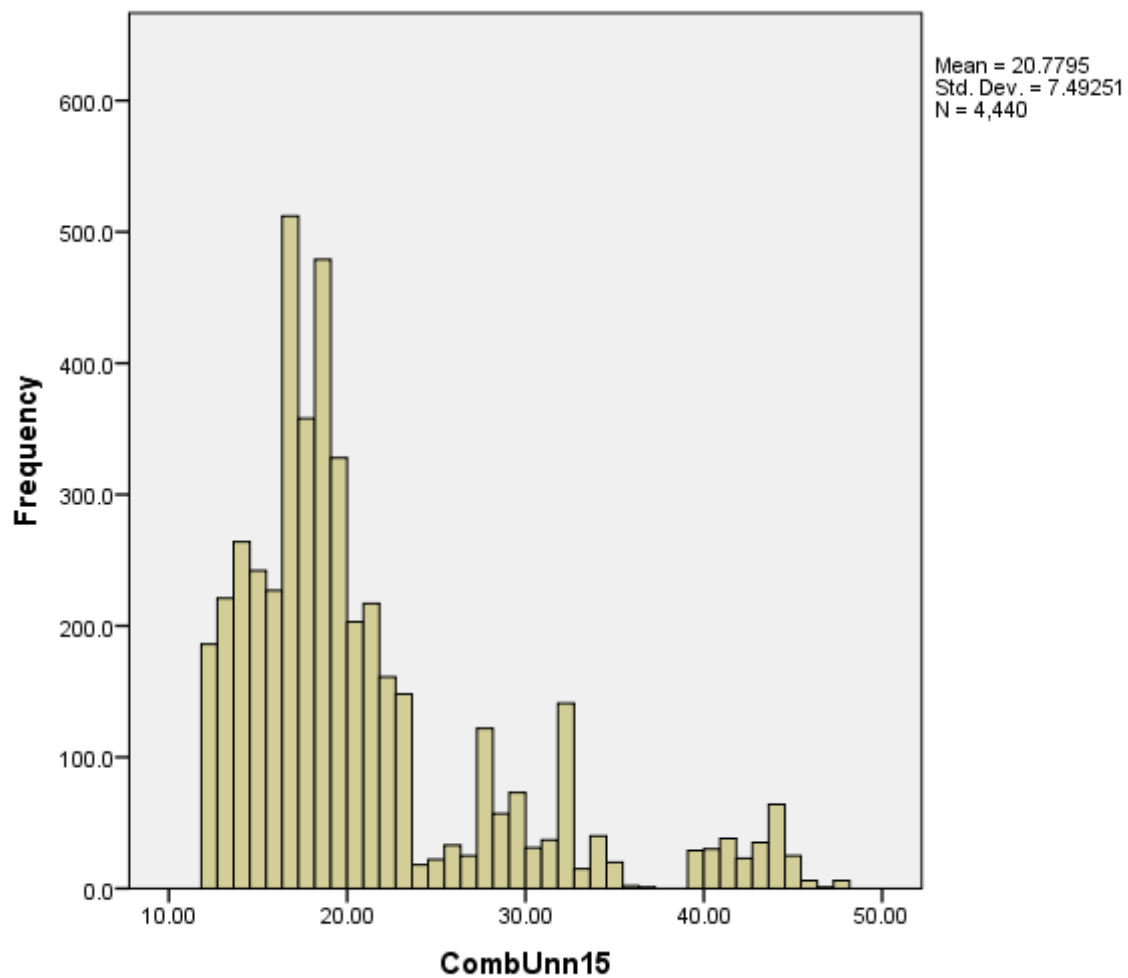
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**Figure 1 Distribution of Current Living Wage Employers by Trade Union Presence**



Note: The combined measure is the average union density for the UK nation or region, sector and industry in which each accredited Living Wage Employer is based. The data are for 2015, when ONS published industry estimates for union density broken down to the 5-digit SIC level.

**Table 1 Involvement of trade unions in the introduction and implementation of the Living Wage**

|  | Per cent |
|--|----------|
| The trade union(s) was fully supportive of the decision to introduce the Living Wage   | 73       |
| The trade union(s) campaigned for the Living Wage to be introduced in your organization  | 19       |
| The trade union(s) had no involvement in the introduction of the Living Wage   | 45       |
| The trade union was consulted about the introduction of the Living Wage; i.e. union views were asked for                                     | 48       |
| The introduction of the Living Wage was negotiated with the trade union(s); i.e. there is a collective agreement that covers the Living Wage | 13       |
| The trade union(s) was critical of the way in which the Living Wage was implemented  | 5        |
| Post-implementation, the trade union(s) has tried to have the Living Wage extended to other workers  | 7        |
| Post-implementation, the trade union has tried to secure a wage rate above the Living Wage   | 9        |
| Post-implementation, the trade union has tried to restore differentials for employees who are paid more than the Living Wage                 | 5        |

Source: Survey of Living Wage Employers, 2016; N = 145 – 149; LWEs recognising trade unions



**Table 2 Relative influence of trade unions over the introduction of the Living Wage**

| Internal influences   | Union       | Non-union   | External influence  | Union       | Non-union   |
|---|-------------|-------------|---|-------------|-------------|
| Senior managers or executives   | 3.47        | 3.14        | LWF or Scottish Living Wage Accreditation Initiative                                | 2.68        | 2.39        |
| HR managers   | 2.77        | 2.17        | Living Wage campaigners, including CUK and Poverty Alliance                         | 2.48        | 2.27        |
| Owner of the organization   | 2.50        | 2.98        | <b>Trade unions</b>   | <b>2.05</b> | <b>1.14</b> |
| Non-executive directors or trustees   | 2.28        | 1.94        | Politicians or political parties  | 1.95        | 1.34        |
| <b>Trade union members or representatives</b>                                   | <b>2.25</b> | <b>1.12</b> | Peer organizations; e.g. an organization similar to your own, including competitors | 1.80        | 1.59        |
| CSR managers  | 2.14        | 1.71        | Research or media organizations which have publicised issue of LW                   | 1.72        | 1.77        |
| Staff members who would not themselves benefit from LW                          | 1.82        | 1.61        | Customers or clients of the organization  | 1.71        | 1.66        |
| Investors and/or shareholders   | 1.82        | 1.73        | Public bodies to which you contract to provide a service                            | 1.61        | 1.56        |
| Communications or PR managers   | 1.79        | 1.58        | A membership association for organizations of your type                             | 1.58        | 1.24        |
| Direct managers of those likely to receive LW                                   | 1.70        | 1.59        | Community leaders or organizations  | 1.54        | 1.31        |
| Purchasing managers   | 1.69        | 1.41        | An organization that provides you with funding                                      | 1.53        | 1.37        |
| Organization members who use the service provided; e.g. students, congregations | 1.63        | 1.27        | Subcontractors who provide a service to your organization                           | 1.36        | 1.22        |
| Staff members seeking to be paid LW   | 1.60        | 1.35        | Religious leaders or organizations  | 1.34        | 1.26        |
| Non-union employee representatives  | 1.51        | 1.20        | Private businesses to which you contract to provide a service                       | 1.32        | 1.39        |

Source: Survey of Living Wage Employers, 2016; N = 148-152 LWEs recognising unions; N = 653-669 non-union LWEs. Mean scores derived from employer responses on a 4-point scale; 1 'No influence', 2 'Little influence', 3 'Moderate influence', 4 'A great deal of influence'

**Table 3 Union support and union campaigning for the Living Wage by union influence**

|  | Union support for LW<br>Column % |    | Union campaigning for LW<br>Column % |    |
|--|----------------------------------|----|--------------------------------------|----|
|  | Yes                              | No | Yes                                  | No |
| Union involvement in the introduction of the Living Wage                       | 68                               | 23 | 89                                   | 47 |
| Union consultation about the introduction of the Living Wage                   | 61                               | 13 | 75                                   | 41 |
| Negotiation of the Living Wage with union(s)                                   | 18                               | 0  | 29                                   | 9  |
| Great deal of influence on the decision to pay the Living Wage, internal union | 30                               | 5  | 50                                   | 16 |
| No influence on the decision to pay the Living Wage, internal union            | 25                               | 80 | 0                                    | 54 |
| Great deal of influence on the decision to pay the Living Wage, external union | 17                               | 0  | 29                                   | 8  |
| No influence on the decision to pay the Living Wage, external union            | 27                               | 80 | 7                                    | 51 |

Source: Survey of Living Wage Employers, 2016; N = 144-149; all associations measured by chi square are statistically significant at the .001 level with the exception of those relating to union negotiation of the Living Wage and the influence of external unions, which were significant at between .003 and .006.

**Table 4 Linear model of predictors of union influence on Living Wage accreditation**

|  | <i>b</i>               | <i>SE B</i> | $\beta$ | <i>p</i> |
|--|------------------------|-------------|---------|----------|
| Step 1                                     |                        |             |         |          |
| Constant                                   | 3.24<br>(1.46, 5.19)   | .90         |         | .001     |
| Public Sector                              | 1.18<br>(-0.48, 2.99)  | .89         | .19     | .190     |
| Organization size                          | .00<br>(.00, .00)      | .00         | .27     | .001     |
| Low pay area                               | -.012<br>(-0.06, 0.03) | .02         | -.03    | .590     |
| Combined measure of union density          | .054<br>(-0.02, 0.11)  | .04         | .23     | .148     |
| Step 2                                     |                        |             |         |          |
| Constant                                   | 3.82<br>(1.93, 5.90)   | .99         |         | .001     |
| Public Sector                              | 1.81<br>(0.21, 3.63)   | .82         | .29     | .035     |
| Organization size                          | .00<br>(.00, .00)      | .00         | .26     | .003     |
| Low pay area                               | -.01<br>(-0.05, .04)   | .02         | -.03    | .620     |
| Combined measure of union density          | .03<br>(-0.04, 0.08)   | .03         | .11     | .422     |
| Total number receiving Living Wage         | .00<br>(.00, .00)      | .00         | .04     | .440     |
| % of employees receiving Living Wage       | .05<br>(-0.40, 0.13)   | .20         | .18     | .006     |
| FT recipients as % of total recipients     | -.174<br>(-1.01, 0.59) | .415        | -.027   | .679     |
| Direct recipients as % of total recipients | -.073<br>(-0.90, 0.79) | .408        | -.012   | .854     |

Notes:  $R^2 = .24$  for step 1;  $\Delta R^2 = .03$  (all significant at .000).

95% bias corrected, and accelerated confidence intervals reported in parentheses. Confidence intervals and standard errors based on 1000 bootstrap samples.